



Christopher T. Ulmer
Director of Operations

June 26, 2017

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington D.C. 20554

Re: *Connect America Fund*, WC Docket No. 10-90; 2013 FCC Form 481

Dear Ms. Dortch:

ICORE Consulting, on behalf of Summit Telephone & Telegraph Company ("the Company") hereby submits to the Commission a copy of the Company's completed Form 481¹. Certain portions of the Form 481 filing include information that is confidential in nature. Specifically, the section entitled "Rate of Return Carrier Additional Information"² should be accorded confidential treatment. Attached please find a statement of the reasons for withholding the redacted materials from public inspection pursuant to 47 CFR § 0.459.

Thank you for your attention to this matter. Should you or any member of the Commission Staff have any questions or comments, please do not hesitate to contact us at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Christopher T. Ulmer".

Director of Operations

¹ This filing is required to comply with 47 CFR §§ 54.313 and 54.422(c).

² The financial reports section of FCC Form 481 is identified at the Universal Service Administrative Company ("USAC") website as "Section 3005" in the downloadable version and as "Section 3000" in the online filing version at the same USAC website. <http://www.usac.org/hc/tools/forms.aspx>. The same identical financial information is required in both. The request for confidentiality applies regardless of whether the form filled out employs the 3005 or 3000 designation.

ICORE Consulting, LLC
326 South 2nd Street
Emmaus, PA 18049

Phone: (610) 928-3944
Fax: (610) 928-5036
www.icorellc.com

**CONFIDENTIALITY REQUEST AND STATEMENT OF JUSTIFICATION
IN COMPLIANCE WITH 47 C.F.R. §0459(b)**

Summit Telephone & Telegraph Company (“Company”) is a small, privately held rural local exchange company based in Alaska. The Company requests confidential treatment of certain information being provided to the Commission in its 2017 FCC Form 481. The information is competitively sensitive and its disclosure would have a negative competitive consequence upon the Company were it made publicly available. Such information would not ordinarily be made available to the public and should be afforded confidential treatment under 47 CFR §0.459.

Regulation	Statement of support and compliance with Confidentiality requests
47 CFR §0.459(a)(2)	ICORE Consulting, on behalf of the Company has e-filed, through ECFS, the redacted version and sent via USPS Express Mail the confidential hard copy version (original and one copy) of its 2013 FCC Form 481.
47 CFR §0.459(b)(1)	The Company requests that the documentation required in the section entitled “Rate of Return Carrier Additional Information ³ , which consists of the Company’s financial reports, income statement, balance sheet and cash flow statement, be accorded confidential treatment. The confidential information has been redacted from the public version with black shading.
47 CFR §0.459(b)(2)	The circumstances giving rise to the submission of this confidential information is set forth in 47 CFR § 54.313 and 47 CFR § 54.422.
47 CFR §0.459(b)(3) and §0.459(b)(4)	The information for which confidentiality is sought is financial in nature, including balance sheet, income statement, and statement of cash flows.
47 CFR §0.459(b)(5)	There is robust competition in the telecommunications market today, including wireless, VoIP providers, and cable television providers to name a few. Financial data such as the amount of cash on hand, amount of debt, and revenue by source are all examples of information that competitors would not receive in the normal course of business.
47 CFR §0.459(b)(6)	The financial information is disclosed only within the Company, and furthermore is only provided (1) members of senior management, or (2) those employees who require this information to perform their jobs.
47 CFR §0.459(b)(7)	The Company has not previously released this information to third parties without the execution of a non-disclosure agreement.
47 CFR §0.459(b)(8)	The Company requests that the information be held by the Commission as confidential indefinitely.

³ The financial reports section of FCC Form 481 is identified at the Universal Service Administrative Company (“USAC”) website as “Section 3005” in the downloadable version and as “Section 3000” in the online filing version at the same USAC website. <http://www.usac.org/hc/tools/forms.aspx>. The same identical financial information is required in both. The request for confidentiality applies regardless of whether the form filed out employs the 3005 or 3000 designation.

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form****FCC Form 481**
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	613028
<015>	Study Area Name	SUMMIT TEL & TEL -AK
<020>	Program Year	2018
<030>	Contact Name: Person USAC should contact with questions about this data	Christopher Ulmer
<035>	Contact Telephone Number: Number of the person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	culmer@icorellc.com
	Form Type	54.313 and 54.422

**(300) Unfulfilled Service Request
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	613028
<015>	Study Area Name	SUMMIT TEL & TEL -AK
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<300> Unfulfilled service request (voice)

NA

<310> Detail on attempts (voice)

Name of Attached Document

<320> Unfulfilled service request (broadband)

NA

<330> Detail on attempts (broadband)

Name of Attached Document

REDACTED - FOR PUBLIC INSPECTION

(400) Number of Complaints per 1,000 customers
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	613028
<015>	Study Area Name	SUMMIT TEL & TEL -AR
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher D. Mer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6139283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	cdimer@scottelec.com
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed voice
<410>	Complaints per 1000 customers for fixed voice	0.0
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	No broadband services offered
<440>	Complaints per 1000 customers for fixed broadband	
<450>	Complaints per 1000 customers for mobile broadband	

(500) Compliance With Service Quality Standards and Consumer Protection Rules
Data Collection Form

FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	613028
<015>	Study Area Name	NEPENT TEL & TEL -AK
<020>	Program Year	2008
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Umet
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	chluet@loorell.com
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
		613028AK510.pdf
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	
<515>	Certify compliance with applicable minimum service standards	

(600) Functionality in Emergency Situations
Data Collection Form

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	613028
<015>	Study Area Name	SUMMIT TEL's TEL -AK
<020>	Program Year	2013
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6199283993 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@scotellc.com
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	613028AK610.pdf

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	613028
<015>	Study Area Name	SUMMIT TEL & TEL -AK
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com
<701>	Residential Local Service Charge Effective Date	1/1/2017
<702>	Single State-wide Residential Local Service Charge	

[illegible]

FCC Form 481
OMB Control No. 3060-0985/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	613028
<015>	Study Area Name	SUMMIT TEL & TEL -AK
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

[illegible]

REDACTED - FOR PUBLIC INSPECTION

**(900) Tribal Lands Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	613028
<015>	Study Area Name	SUMMIT TEL & TEL -AK
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<900> Does the filing entity offer tribal land services? (Y/N) Yes

<910> Tribal Land(s) on which ETC Serves

Coldfoot Wiseman


<920> Tribal Government Engagement Obligation

613028AK920.pdf

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable
Yes

Yes
Yes
Yes
Yes
Yes
Yes
Yes

REDACTED - FOR PUBLIC INSPECTION

**(1000) Voice and Broadband Service Rate Comparability
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0086/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	613028
<015>	Study Area Name	SUMMIT TEL & TEL -AK
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance 613028AK1010.pdf

Name of Attached Document

<1020> Broadband comparability certification Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

<1030> Attach detailed description for broadband comparability compliance

Name of Attached Document

REDACTED - FOR PUBLIC INSPECTION

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	613028
<015>	Study Area Name	SUMMIT TEL & TEL -AK
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<1100> Certify whether terrestrial backhaul options exist (Y/N)

No

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

Yes

REDACTED - FOR PUBLIC INSPECTION

(1200) Terms and Condition for Lifeline Customers
Lifeline
Data Collection Form

FCC Form 431
 OMB Control No. 3060-0985/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	613028
<015>	Study Area Name	SUMMIT TEL & TEL -AK
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

613028AK1210.pdf

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website HTTP www.summittelephonenumbercompany.com

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- | | | |
|--------|---|-------------------------------------|
| <1221> | Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, | <input checked="" type="checkbox"/> |
| <1222> | Details on the number of minutes provided as part of the plan, | <input checked="" type="checkbox"/> |
| <1223> | Additional charges for toll calls, and rates for each such plan. | <input checked="" type="checkbox"/> |

REDACTED - FOR PUBLIC INSPECTION

(2005) Price Cap Carrier Additional Documentation**Data Collection Form****Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers**

RCC Form 481

OMB Control No. 3050-0049/OMB Control No. 3050-0019

July 2013

<010>	Study Area Code	613028
<015>	Study Area Name	SUMMIT TEL & TEL -AK
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- <2011> 3rd Year Certification 47 CFR §54.313(b)(1)(ii) - Note that for the July 2017 certification, this applies to Round 2 recipients of Incremental Support.
- <2022> Recipient certifies, representing year three after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.
- <2023> The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year three - 54.313(b)(2)(ii). Round 2 recipients only.
- <2024A> Round 2 Recipient of Incremental Support?
- <2024B> Attach list of census blocks indicating where funding was spent in year three - 54.313(b)(2)(ii). Round 2 recipients only.
- <2025A> Round 2 Recipient of Incremental Support?
- <2025B> Attach geocoded Information for Phase I milestone reports (Round 2 for year three) - Connect America Fund , WC Docket 10-90, Report and Order, FCC 13-73, paragraph 35 (May 22, 2013).
- <2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)

Name of Attached Document Listing
Required Information

Name of Attached Document Listing
Required Information

REDACTED - FOR PUBLIC INSPECTION

(2005) Price Cap Carrier Additional Documentation**Data Collection Form***Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

ICC Form 481

OMB Control No. 3060-0084/OMB Control No. 3060-0019

July 2013

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

<2016> Certification support used to build broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}

<2017A> Connect America Fund Phase II recipient?

<2017C> Total amount of Phase II support, if any, the price cap carrier used for capital expenditures in 2016.

<2018> Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(1)(ii)(A)

Name of Attached Document Listing
Required Information

<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(1)(ii)(C)

REDACTED - FOR PUBLIC INSPECTION

**(3005) Rate Of Return Carrier Additional Documentation
Data Collection Form**FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	613028
<015>	Study Area Name	SUMMIT TEL & TEL -AK
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

Select from the drop down menu or check the boxes below to note compliance with 54.313(f)(1). Privately held carriers must ensure compliance with the financial reporting requirements set forth in 47 CFR 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009)	Progress Report on 5 Year Plan Carrier certifies to 54.313(f)(1)(iii)	Not Applicable - No Attachment Required	
(3010A)	Certification of Public Interest Obligations (47 CFR § 54.313(f)(1)(i))		
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information	
(3012A)	Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))	No - No New Community Anchors	
(3012B)	Please Provide Attachment	Name of Attached Document Listing Required Information	
(3013)	Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))	(Yes/No)	<input checked="" type="radio"/> <input type="radio"/>
(3014)	If yes, does your company file the RUS annual report	(Yes/No)	<input type="radio"/> <input checked="" type="radio"/>
Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:			
(3015)	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		<input type="checkbox"/>
(3016)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information	
(3018)	If the response is no on line 3014, is your company audited?	(Yes/No)	<input checked="" type="radio"/> <input type="radio"/>
If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:			
(3019)	Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input checked="" type="checkbox"/>
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows		<input checked="" type="checkbox"/>
(3021)	Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit.		<input checked="" type="checkbox"/>
If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:			
(3022)	Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input type="checkbox"/>
(3023)	Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/>
(3024)	Underlying information subjected to an officer certification.		<input type="checkbox"/>
(3025)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information	613028AK3026.pdf

(3005) Rate Of Return Carrier Additional Documentation (Continued)		FCC Form 485
Data Collection Form		OMB Control No. 3060-0984/OMB Control No. 3060-0819
		July 2013

<010>	Study Area Code	613028
<015>	Study Area Name	SUMMIT TEL & TEL -AK
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

REDACTED - FOR PUBLIC INSPECTION

Financial Data Summary

(3027) Revenue

(3028) Operating Expenses

(3029) Net Income

(3030) Telephone Plant In Service(TPIS)

(3031) Total Assets

(3032) Total Debt

(3033) Total Equity

(3034) Dividends

<010>	Study Area Code	611028
<015>	Study Area Name	SUMMIT TEL 4 TEL -AP
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Christopher James
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	cjames@iisorellc.com

4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

4001. Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

Community Anchor Institutions – FCC 14-98 (paragraph 79)

4003a. RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

4003b. Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year.

Name of Attached Document Listing Required Information _____

Broadband Deployment Locations – FCC 14-98 (paragraph 80)

4004a. Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481.

Name of Attached Document Listing Required Information _____

4004b. Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area.

Name of Attached Document Listing Required Information _____

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0886/OMB Control No. 3060-0819 July 2013
---	--

<010>	Study Area Code	613028
<015>	Study Area Name	SUMMIT TEL & TEL -AK
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3068-0906/OMB Control No. 3060-0819 July 2013
---	--

<010> Study Area Code	613028
<015> Study Area Name	SUMMIT TEL & TEL -AK
<020> Program Year	2018
<030> Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035> Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>ICORE Consulting, LLC</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	ICORE Consulting, LLC
Name of Reporting Carrier:	SUMMIT TEL & TEL -AK
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 06/15/2017
Printed name of Authorized Officer:	Roger Shoffstall
Title or position of Authorized Officer:	President
Telephone number of Authorized Officer:	9073891012 ext.
Study Area Code of Reporting Carrier:	613028 Filing Due Date for this form: 07/03/2017
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	SUMMIT TEL & TEL -AK
Name of Authorized Agent Firm:	ICORE Consulting, LLC
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 06/15/2017
Name of Authorized Agent Employee:	Christopher Ulmer
Title or position of Authorized Agent or Employee of Agent:	Director of Operations
Telephone number of Authorized Agent or Employee of Agent:	6109283903 ext.
Study Area Code of Reporting Carrier:	613028 Filing Due Date for this form: 07/03/2017
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

(700) Price Offerings including Voice Rate Data Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	613028
<015>	Study Area Name	SUMMIT TEL & TEL -AK
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Christopher Ulmer
<035>	Contact Telephone Number - Number of person identified in data line <030>	6109283903 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	culmer@icorellc.com

<701>	Residential Local Service Charge Effective Date	1/1/2017
<702>	Single State-wide Residential Local Service Charge	

<703>

[illegible]

The Summit Telephone and Telegraph Company of Alaska, Inc.

(A Wholly-Owned Subsidiary of Remote Control, Inc.)

Financial Statements

Years Ended December 31, 2016 and 2015



REDACTED - FOR PUBLIC INSPECTION

THE SUMMIT TELEPHONE AND TELEGRAPH COMPANY OF ALASKA, INC.

Financial Statements

Years Ended December 31, 2016 and 2015

Table of Contents

	Page
Independent Auditors' Report	1
Financial Statements:	
Balance Sheets	2
Statements of Operations	3
Statements of Changes in Stockholder's Equity	4
Statements of Cash Flows	5
Notes to Financial Statements	6



Aldrich CPAs + Advisors LLP

680 Hawthorne Avenue SE, #140

Salem, Oregon 97301

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Summit Telephone and Telegraph Company of Alaska, Inc.
Fairbanks, Alaska

We have audited the accompanying financial statements of The Summit Telephone and Telegraph Company of Alaska, Inc. (a State of Alaska corporation), which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of operations, changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Summit Telephone and Telegraph Company of Alaska, Inc. as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Aldrich CPAs + Advisors LLP

Salem, Oregon
May 16, 2017

THE SUMMIT TELEPHONE AND TELEGRAPH COMPANY OF ALASKA, INC.

Balance Sheets

December 31, 2016 and 2015

ASSETS

2016

2015

Current Assets:

Cash

Accounts receivable, less allowance for doubtful accounts

Materials and supplies

Prepayments

Total Current Assets

Investments

Property, Plant, and Equipment:

Plant in service

Plant under construction

Less accumulated depreciation

Property, Plant, and Equipment, net

LIABILITIES AND STOCKHOLDER'S EQUITY

Current Liabilities:

Current maturities of long-term debt

Accounts payable

Accrued expenses

Customer deposits

Total Current Liabilities

Long-Term Debt, net of current portion

Other Liabilities:

Payable to affiliate

Deferred income taxes

Total Other Liabilities and Deferred Credits

Stockholder's Equity:

Common stock, no par value, [REDACTED] shares authorized,

[REDACTED] shares issued and outstanding

Additional paid-in capital

Retained earnings

Total Stockholder's Equity

See accompanying notes to financial statements.

THE SUMMIT TELEPHONE AND TELEGRAPH COMPANY OF ALASKA, INC.

Statements of Operations

Years Ended December 31, 2016 and 2015

	2016	2015
Operating Revenues:		
Local network service		
Network access service		
Miscellaneous		
Total Operating Revenues		
Operating Expenses:		
Plant specific operations		
Plant nonspecific operations		
Customer operations		
Corporate operations		
Depreciation		
Total Operating Expenses		
Operating Taxes:		
Income tax benefit		
Property and other operating taxes		
Total Operating Expenses and Taxes		
Operating Income (Loss)		
Other Income (Expense)		
Income Before Interest Expense		
Interest Expense		
Net Income (Loss)		

THE SUMMIT TELEPHONE AND TELEGRAPH COMPANY OF ALASKA, INC.

Statements of Changes in Stockholder's Equity

Years Ended December 31, 2016 and 2015

	Common Stock	Additional Paid-in Capital	Retained Earnings	Total
Balance, December 31, 2014				
2015 Dividends				
2015 Net income				
Balance, December 31, 2015				
2016 Net loss				
Balance, December 31, 2016				

See accompanying notes to financial statements.

THE SUMMIT TELEPHONE AND TELEGRAPH COMPANY OF ALASKA, INC.

Statements of Cash Flows

Years Ended December 31, 2016 and 2015

	2016	2015
Cash Flows from Operating Activities:		
Net income (loss)		
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation		
Deferred income taxes		
Patronage allocations, noncash		
Changes in assets and liabilities:		
Accounts receivable		
Materials and supplies		
Prepayments		
Accounts payable		
Accrued expenses		
Customer deposits		
Net Cash Provided by Operating Activities		
Cash Flows from Investing Activities:		
Additions to property, plant, and equipment		
Patronage dividends and investment principal received		
Net Cash Used by Investing Activities		
Cash Flows from Financing Activities:		
Payments on long-term debt		
Advances from (payments to) affiliate, net		
Dividends paid		
Net Cash Used by Financing Activities		
Net Increase (Decrease) in Cash		
Cash, beginning		
Cash, ending		
Cash Paid During the Year For:		
Interest - net of amounts capitalized		
Income taxes		
Supplemental Disclosure of Noncash Activity:		
Property, plant, and equipment purchased with long-term debt		

See accompanying notes to financial statements.

THE SUMMIT TELEPHONE AND TELEGRAPH COMPANY OF ALASKA, INC.

Notes to Financial Statements

Years Ended December 31, 2016 and 2015

Note 1 - Organization and Summary of Significant Accounting Policies

Organization

The Summit Telephone and Telegraph Company of Alaska, Inc., dba Summit Telephone Company (the Company), is a local exchange telephone company organized under the laws of the state of Alaska. The Company provides local exchange telecommunication services in three exchanges in interior Alaska, including the Chatanika, Steese, Chena Hot Springs, Elliot Highway, and Coldfoot areas. The Company is a wholly-owned subsidiary of Remote Control, Inc. (the Parent).

Regulations

The Company is subject to the accounting and rate regulations of the Regulatory Commission of Alaska (RCA), and maintains its accounting records in accordance with the Uniform System of Accounts, as prescribed by the Federal Communications Commission (FCC). As a result, the application of accounting principles generally accepted in the United States of America by the Company differs in certain respects from the application by nonregulated entities. Such differences primarily relate to the time at which certain items enter into the determination of net income (loss).

The Company is subject to limited regulation by the FCC and the RCA regarding the provision of telecommunication services.

Regulatory and legislative actions, as well as future regulations, could have a significant impact on the Company's future operations and financial condition. See Note 1, National Broadband Plan and FCC Order.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates involve judgments with respect to numerous factors that are beyond management's control. Actual results could differ from those estimates.

Cash

The Company maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits, which is generally \$250,000 per account holder per bank. The Company has no uninsured cash as of December 31, 2016 or 2015. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Accounts Receivable

The Company provides an allowance for doubtful accounts that is based on a review of outstanding receivables, historical collection information, and existing economic conditions. Receivables from subscribers are due 30 days after the issuance of the invoice. Receivables from other exchange carriers are typically outstanding from 30 to 60 days before payment is received. Receivables past due more than 90 days are considered delinquent and are charged to uncollectible expense when it is determined that the account will not be collected. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

Materials and Supplies

Materials and supplies are stated at the lower of weighted average cost or market.

Investments

Investments are stated at cost and consist of assigned patronage and subordinated capital certificates from the Rural Telephone Finance Cooperative (RTFC). As a condition of the Company's debt described in Note 4, the Company is required to hold capital certificates in RTFC.

THE SUMMIT TELEPHONE AND TELEGRAPH COMPANY OF ALASKA, INC.

Notes to Financial Statements

Years Ended December 31, 2016 and 2015

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Fair Value of Financial Instruments

The Company's financial instruments, none of which are held for trading purposes, include cash, receivables, accounts payable, and mortgage and notes payable. The Company estimates that the fair value of all of these non-derivative financial instruments at December 31, 2016 and 2015 does not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying balance sheets.

Property, Plant, and Equipment

Property, plant, and equipment are recorded at cost, including direct labor, materials, freight, and indirect overhead costs. Maintenance and repairs are charged to operations when incurred. Renewals and betterments are capitalized. The Company provides for depreciation on a straight-line basis over the estimated useful lives of the classes of property and equipment in accordance with rates consistent with industry standards and approved by the RCA. Costs of regulated plant retired are eliminated from utility plant accounts and such costs plus removal expenses, less salvage, are charged to accumulated depreciation.

For construction projects lasting longer than one year, the Company follows the policy of capitalizing interest as a component of the cost of property, plant, and equipment constructed for its own use. In 2016, total interest incurred was [REDACTED] (2015), of which [REDACTED] (2015).

Revenue Recognition

The Company recognizes revenues when earned regardless of the period in which they are billed. Monthly service fees derived from basic and local service are billed in advance. Access charges (see Note 1, Network Access Revenue) and other revenues based on usage are billed in arrears.

Network Access Revenue

Network access revenue is received under a system of access charges. Access charges represent a methodology by which local telephone companies, including the Company, charge the long-distance carrier for access and interconnection to local facilities. The Company has elected to file access tariffs through the National Exchange Carriers Association (NECA) and the Alaska Exchange Carriers Association (AECA) for these charges. These access tariffs are subject to approval by the FCC for interstate charges and the RCA for intrastate charges.

When network access revenues have been received pursuant to the settlement and access agreements above, they are then either placed into a common pooling arrangement with other exchange carriers for redistribution or kept by the Company. The redistributions are made according to formulas established by the governing boards of the pools and are generally based upon expenses incurred and investments maintained. The Company participates in pooling arrangements NECA and AECA.

Settlement, access, and pool distribution revenues are recorded when the amounts become determinable. Related expenses are recorded when incurred. Subsequent true-ups and retroactive adjustments, which are generally allowed for a period of 24 months after the close of the related calendar year for the NECA pools, are recorded in the year in which such adjustments become determinable, based upon studies prepared by an outside consultant.

In addition to recoveries from the pools, the Company also receives revenues from the Universal Service High Cost Loop Fund (HCL) and other support mechanisms administered by the Universal Service Administration Company (USAC). These universal service support revenues are intended to compensate the Company for the high cost of providing service in rural areas. The amount of support received from HCL is based on the number of customers served and the cost of providing service in that area being in excess of the national average cost per loop as determined by the FCC, and are included in network access revenues in the accompanying financial statements.

THE SUMMIT TELEPHONE AND TELEGRAPH COMPANY OF ALASKA, INC.

Notes to Financial Statements

Years Ended December 31, 2016 and 2015

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Network Access Revenue, continued

In 2016, the Company received \$396,719 from the USAC High Cost Loop Fund (\$441,156 in 2015) and \$632,355 in interstate access revenues administered through the NECA Pools (\$632,309 in 2015). In 2016, the Company received \$11,851 from the Alaska Universal Service Fund (\$12,865 in 2015).

National Broadband Plan and FCC Order

In 2010 the FCC issued the National Broadband Plan which outlined a long-term plan to increase broadband penetration rates and services throughout the United States of America.

In 2011, as an initial response to the plan, the FCC approved Report and Order 11-161 (the Order), that begins the process of reforming the universal service and intercarrier compensation (ICC) systems and adopts support for broadband-capable networks as an express universal service principle. The Order further creates the Connect America Fund (CAF), which will ultimately replace all existing high-cost support mechanisms and help facilitate ICC reforms.

The key provisions of the Order include capping the Federal Universal Service Fund (USF), placing limitations on capital and operating expenditures (subsequently eliminated in 2014 by an Order for Reconsideration issued by the FCC), establishing local rate benchmarks, capping monthly USF at \$250 per line, a 5% annual reduction of the 2011 frozen interstate switched access revenue requirement, the phase-out of local switching support to be replaced by the CAF to recover costs of switching services, a 9 year transition from the previous ICC system to bill and keep, and adoption of the Access Recovery Charge (ARC) to mitigate impacts of reduced ICC revenues. Implementation began July 1, 2012.

In 2016, the FCC issued Order 16-33, which provided the option for a voluntary election by rate-of-return carriers to receive model-based support under the Alternative Connect America Cost Model (A-CAM). Instead of receiving support based on the carrier's cost, the model predetermines the amount of support to be received for a 10 year term. In 2016, the FCC also issued Order 16-115, which adopted the Alaska Plan to address both fixed and mobile voice and broadband service in high-cost areas of the state of Alaska. The Alaska Plan freezes support for rate-of-return carriers at 2011 levels for 10 years, beginning in 2017.

Alaskan rate-of-return carriers had the option of receiving support pursuant to the Alaska Plan, electing to receive support calculated by A-CAM, or remaining on the reformed legacy rate-of-return support mechanisms. On November 1, 2016, the Company elected to participate in A-CAM and accepted the revised offer from the FCC on January 10, 2017. Companies receiving A-CAM support must withdraw from the NECA Common Line pool. Additionally, over the 10 year term, A-CAM provides for the following:

- Carriers will have broadband deployment and performance obligations, starting with 40% deployment of 10/1 mbps broadband by year 4 and 100% deployment by the end of the 10 year model period.
- Carriers will be required to deploy 25/3 mbps broadband to a range of 25% to 75% of funded locations, depending on the density of the service area.
- For areas with average costs over a funding cap calculated by the model, carriers will be required to offer 4/1 mbps to 50% of all such locations over the 10 year term of A-CAM, and for unserved areas carriers will be subject to the reasonable request standard.
- In year 8 of the model, the FCC will conduct a rulemaking to determine how support will be administered after the conclusion of the 10 year model.

THE SUMMIT TELEPHONE AND TELEGRAPH COMPANY OF ALASKA, INC.

Notes to Financial Statements

Years Ended December 31, 2016 and 2015

Note 1 - Organization and Summary of Significant Accounting Policies, continued

National Broadband Plan and FCC Order, continued

The Company continues to monitor its local rates and as of December 31, 2016, the Company meets the local rate benchmark requirements of the Order. The Company is not subject to the \$250 per line support cap. Furthermore, for the period ended December 31, 2016, the impacts to the Company related to the 5% annual decline in switched access revenues have not been significant.

The overall reform process will continue to take place in phases and will take several more years to implement. Furthermore, it is anticipated the FCC will continue to issue Further Notices of Proposed Rulemakings and/or Orders for Reconsideration and continue to seek comments on various items. As a result, the ultimate outcome of these proceedings and their impact is uncertain at this time.

Taxes Imposed by Governmental Authorities

The Company is subject to taxes assessed by various governmental authorities on many different types of revenue transactions with its customers. These specific taxes are charged to and collected from the Company's customers and subsequently remitted to the appropriate taxing authority. The taxes are accounted for on a net basis and excluded from revenues.

Income Taxes

The Company files a consolidated income tax return with the Parent.

The Company follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. The Company recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision when applicable. There are no amounts accrued in the financial statement related to uncertain tax positions. The Company files federal, state and local income tax returns.

Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period, plus or minus the change in deferred tax assets and liabilities during the period.

Subsequent Events

The Company has evaluated subsequent events through May 16, 2017, which is the date the financial statements were available to be issued.

THE SUMMIT TELEPHONE AND TELEGRAPH COMPANY OF ALASKA, INC.

Notes to Financial Statements

Years Ended December 31, 2016 and 2015

Note 2 - Accounts Receivable

Accounts receivable at December 31 consist of:

	2016	2015
Subscribers		
Carrier access		
Settlements and pooling		
Other		
Less allowance for doubtful accounts		

Note 3 - Property, Plant, and Equipment

Listed below are the major classes of property, plant, and equipment and their related annual composite depreciation rates:

	Percent	2016	2015
General support facilities			
Central office equipment			
Information origination/termination equipment			
Cable and wire facilities			

Note 4 - Long-Term Debt

Long-term debt at December 31 consists of the following:

	2016	2015
mortgage notes payable to RTFC in quarterly installments of principal and interest, collateralized by substantially all real and personal property, matures February 2021.		
note payable to a related party in monthly installments of principal and interest, collateralized by equipment, matures April 2021.		
note payable to Ally Financial in monthly installments of principal and interest, collateralized by a vehicle, matures April 2022.		
note payable to Ally Financial in monthly installments of principal and interest, collateralized by a vehicle, matures November 2018.		
note payable to Mid America Computer Corporation in monthly installments of principal and interest, collateralized by equipment, matured December 2016.		
Less Current Portion		
Total Long-Term Debt		

THE SUMMIT TELEPHONE AND TELEGRAPH COMPANY OF ALASKA, INC.

Notes to Financial Statements

Years Ended December 31, 2016 and 2015

Note 4 - Long-Term Debt, continued

The long-term debt agreement with RTFC contains restrictions on the payment of dividends and the maintenance of defined amounts of working capital after payment of dividends. The long-term debt agreement also contains requirements regarding debt service coverage and other financial ratios, and the timely remittance of semiannual financial information and annual audited financial statements. For the year ended December 31, 2016 the Company was in compliance with all requirements.

Future maturities of long-term debt are as follows:

2017

2018


2019

2020

2021

Thereafter

Total

A large black rectangular redaction box covering the data for Note 4.

Note 5 - Income Taxes

Income tax expense (benefit) for the years ended December 31 consists of the following:

Current:

Federal
State

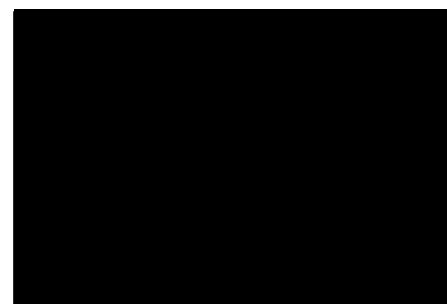
Deferred:

Federal
State

Income Tax Benefit

2016

2015

A large black rectangular redaction box covering the data for Note 5.

The provision for income taxes differs from the amount computed by applying the current statutory federal and state income tax rates to earnings before income taxes due to the effects of state taxes (net of federal benefit), nondeductible items, net operating loss deductions, prior year over or under accruals, and the use of accelerated depreciation for income tax purposes.

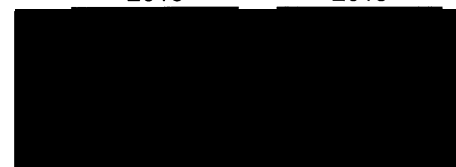
Deferred tax expense is provided for temporary differences in the recognition of revenues and expenses for tax and financial statement purposes.

Deferred income tax asset (liability) consists of the following:

Tax depreciation in excess of financial statement depreciation
Accrued paid time off
Accrued officer compensation
Deferred Tax Liability

2016

2015

A large black rectangular redaction box covering the data for Note 5.

THE SUMMIT TELEPHONE AND TELEGRAPH COMPANY OF ALASKA, INC.

Notes to Financial Statements

Years Ended December 31, 2016 and 2015

Note 6 - Related Party Transactions

Accounts receivable includes [REDACTED] in unsecured, non-interest bearing advances to an officer of the Company as of December 31, 2016 and 2015. Accrued expenses include [REDACTED] in accrued officer compensation as of December 31, 2016 and 2015, as well as [REDACTED] of accounts payable to an officer of the Company as of December 31, 2016 and 2015.

In 2016, the Company received a loan of [REDACTED] from a related party for the purchase of equipment. See Note 4, Long-Term Debt.

The Company leased office facilities from an officer of the Company for [REDACTED] in 2015). In 2016, the office facilities were conveyed from the Company officer to an outside party. The lease term expires December 31, 2018. Future minimum lease payments associated with the office facilities are as follows:

2017	[REDACTED]
2018	[REDACTED]

Lease expense for the year ended December 31, 2016 amounted to [REDACTED] in 2015).

The amount reflected in the accompanying balance sheets as payable to affiliate represents the net amount due to the Parent.

Note 7 - Pension Plans

Simplified Employee Pension - The Company has a Simplified Employee Pension (SEP) retirement plan. For the years ended December 31, 2016 and 2015, the Company made contributions totaling [REDACTED] of the employees' compensation for all eligible employees who worked for the Company 3 months or more. Total pension cost, including amounts charged to construction for 2016 and 2015, amounted to [REDACTED] respectively.

Savings Plan - The Company also has a 401(k) Savings Plan, through the National Telephone Cooperative Association (NTCA). Regular full-time employees who have worked for the Company 3 months or more are eligible to participate in the Savings Plan, which is a tax-qualified defined contribution plan under section 401(k) of the Internal Revenue Code. The Company matches [REDACTED] of the employee's contribution up to the first [REDACTED] of the employee's compensation. All contributions, including the Company match, are made in cash. Employer contributions, including amounts charged to construction, for 2016 and 2015 amounted to [REDACTED] respectively.